

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



March 31, 2017

Dr. Linda Norman, Dean, School of Nursing
Vanderbilt University
1400 Eighteenth Avenue South
Nashville, TN 37212

Dear Dr. Norman:

Please find attached the monitoring report of the Vanderbilt University relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2016.

The Office of Financial Accountability is charged with the responsibility of monitoring grant funds, including Community Enhancement Funds, from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability conducted the review on March 16, 2017.

We appreciate the assistance provided by your agency during the course of the review. If you have any questions, please call me at 615-862-6712.

Sincerely,

Kevin Brown

Kevin Brown, CMFO, CICA, CFE

cc: Tanya Paul, Accounting Manager
Leah Branam, Program Manager
Talia Lomax-O'dneal, Director of Finance
Gene Nolan, Deputy Director of Finance
Kim McDoniel, Deputy Director of Finance

OFFICE OF FINANCIAL ACCOUNTABILITY

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Metropolitan Government of Nashville and Davidson County

Vanderbilt University

◆ Monitoring Report ◆

Conducted by



Office of Financial Accountability

March 31, 2017

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Vanderbilt University School of Nursing. A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Vanderbilt University School of Nursing or any of its component units. The OFA is responsible for the internal monitoring of Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”) agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive appropriations and Community Enhancement Funds from Metro government. In summary, any agreement(s) that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

The purpose of this review was to assess the agency’s compliance with contractual requirements set forth in the following contract with Metro Government:

Contract	Type	Amount	Contact Term	
L-3464	Community Enhancement Funds	\$60,600	July 1, 2015	June 30, 2016

Agency Background

The Vanderbilt’s Center for Community Health Solutions’ Communities And Students Together for Learning Enhanced Service (CASTLES) program enhances Davidson County’s children’s lives in afterschool programs and parent focused Teaching Kitchens.

CASTLES uses interactive lessons about food groups and fitness to promote healthy behaviors among children at the Coleman Park Community Center and Southeast Community Center. The program establishes relationships with college role models, require participants to engage in innovative, well-tested fitness activities, community service and receive homework help.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our review were:

- 1) To determine whether the agency had the resources and capacity to administer the grant funds.
- 2) To determine if costs and services were allowable and eligible.
- 3) To verify that program objectives were met.
- 4) To test the reliability of the financial and programmatic reporting.
- 5) To verify contractual compliance.

The scope of our review was limited to the contract term July 1, 2015 through June 30, 2016.

The monitoring review procedures included meeting with agency management and staff, reviewing board minutes and obtaining written representations from management. In addition, we examined certain financial records and supporting documentation necessary to ensure compliance with contractual requirements set forth in contract L-3464. Specific procedures included:

- Interviewing the employees responsible for grant management, financial reporting and accountability.
- Reviewing supporting documentation of expenditures for allowability, necessity and reasonableness.
- Reviewing the agency's general ledger and verifying the accuracy of all invoices submitted to Metro.
- Reviewing documentation to determine that funds were used for intended beneficiaries and expended in accordance with the spending plan of the contract.
- Reviewing documentation to support program activities for consistency with grant requirements.
- Assessing the financial stability of the agency and its ability to continue to administer the grant program funded by Metro.

FINDINGS AND RECOMMENDATIONS

SUMMARY OF RESULTS

Criteria	Yes	No
Sufficient Resources and Capacity to Administer Funds?	✓	
Costs and Services Allowable and Eligible?	✓	
Program Objectives Met?	✓	
Reporting Requirements Met?		✓
Compliance with Civil Rights Requirements?	✓	

RESULTS OF REVIEW

The overall results of the monitoring review are provided in this section. Results are based on testwork performed and include conclusions regarding specific review objectives and, if applicable, recommendations for improvement and an action plan for implementation. Where applicable, the Findings and Recommendations section of this report provides more insight into any issues identified below.

1. Sufficient Resources and Capacity to Administer Grant Funds

Our review of the agency's accounting system and the qualifications of the individuals assigned to manage the accounting records indicate that the agency possesses the necessary resources and professional expertise to effectively administer the grant funds.

2. Allowable and Eligible Costs and Services

Our review covered all of the core compliance areas identified by 2 CFR Part 200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Additionally, the Metro Grants Manual requires separate accounting of the Metropolitan Nashville Government grant funds to prevent co-mingling of Metro Funds with other sources of funding. The agency is in compliance with this requirement. Different revenue classes as well as expenditure classes have been established to separately track the sources and amounts of funding. Also, the agency can easily and accurately report their expenses supported by the Metro Appropriation.

Based on our test work, costs and services during the period were allowable and eligible.

3. Program and Performance Objectives

The contract stipulates that the agency shall use the funds to provide at least 100 low-income elementary and middle school children attending Metro Nashville schools free afterschool program 3-4 days a week at the Coleman Park Community Center and Southeast Community Center with the following outcomes:

RESULTS OF REVIEW

- 1) Provide at least 100 unduplicated low-income youth aged 6-15, 3 hours of free afterschool program, 4 days a week, for 24 weeks at Coleman Park Community Center and Southeast Community Center.
- 2) At least 80% of the 100 youth participants will demonstrate an increase in academic enablers.
- 3) At least 75% of the 100 youth participants will demonstrate an increase in academic skills.
- 4) At least 70% of the 100 youth participants will report increased feelings of academic engagement and peer acceptance.

Based on our review of program documentation and discussions with staff, program performance objectives were met and the agency is in compliance with contractual program objectives.

4. Reliability of Financial and Programmatic Reporting

The contract requires submission of an annual audit report performed by a Certified Public Accountant. The contract also requires the agency to submit to Metro year end reports of the program outcome and a final expenditures report, no more than 45 days after the close of the contract.

We reviewed all applicable financial and programmatic reports required by the contract, including audited financial statements. Based on our review, the agency did not comply with all financial and programmatic reporting requirements. See Finding #1 for more details.

5. Civil Rights Requirements

Our review did not reveal anything to indicate that the agency was noncompliant with civil rights requirements. The agency also has necessary written policies and procedures relating to civil rights. The agency has not received any complaints regarding any form of discrimination. Further, civil rights and ADA postings are publicly displayed.

FINDINGS AND RECOMMENDATIONS

1. Failed to Accurately Report its Grant Expenditures.

Finding

The Vanderbilt University failed to accurately report its grant expenditures on its annual expenditure report and also failed to fully earn the grant funds the agency received based upon invoices submitted for reimbursement.

1. The agency reported grant expenditures of \$40,533.23 on the annual expenditure report; however, the OFA verified that the agency had incurred \$41,381.31 of grant expenditures. Therefore, the agency under reported its grant expenditures.
2. The agency invoiced and received reimbursements totaling \$44,467.86, in excess of the \$41,381.31 stated above. Therefore, the Vanderbilt University received \$3,086.55 in grant revenue which they had not earned. See table below:

Reconciliation of Grant Activity	
Verified Grant Expenditures	\$ 41,381.31
Grant Revenue the Agency Received	\$ 44,467.86
Unearned Grant Revenue	\$ (3,086.55)

Recommendation

The Vanderbilt University should refund the \$3,086.55 unearned grant revenue to Metro Nashville Davidson County Government. Information pertaining to annual expenditure report should be based on actual expenditures. Management should review the documentation of those expenditures before they are reported to the Division of Grant Coordination in order to ensure accuracy.

Corrective Action Plan Required

Please submit a corrective action plan indicating the actions the agency intends to take to correct the finding identified in this report. The corrective action plan should be submitted within 14 days from the report date to the address below:

RESULTS OF REVIEW

Division of Grants Coordination
PO Box 196300
Nashville, TN 37219
ATTN: Vaughn Wilson